Calendar No. 642

97TH CONGRESS
2d Session

SENATE

REPORT
No. 97-452

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1982

MAY 28, 1982.—Ordered to be printed
Filed under authority of the order of the Senate of May 12 (legislative day, May 11), 1982

Mr. STAFFORD, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 2144]

The Committee on Environment and Public Works, to which was referred the bill (S. 2144) to extend the Appalachian Regional Development Act to provide transitional assistance to the Appalachian region, having considered the same, reports favorably thereon with amendments and an amendment to the title and recommends that the bill as amended do pass.

PURPOSE OF THE LEGISLATION

S. 2144, as amended, extends the Appalachian Regional Development Act of 1965 for 1 additional year, through fiscal year 1983, providing a transition toward phasing out the Appalachian Regional Commission.

The administration in its fiscal year 1983 budget has called for the termination of the Commission at the end of fiscal year 1982. While the committee recognizes the administration's intent, it believes in the need for an orderly phaseout of the Appalachian programs, and therefore, has extended the Commission for 1 more year.

It is the committee's intention that this program be reauthorized on its own, and not be considered in connection with any other Federal economic development programs.

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General Statement

The Appalachian Regional Development Act became law in 1965 and established a program to facilitate growth and diversity of economic activities in a 13-State region. The program is carried out by the Appalachian Regional Commission, a unique partnership of the Federal Government and the 13 States. The Commission is comprised of the 13 State Governors (1 of whom is chosen annually as the States' cochairman) and a Federal cochairman appointed by the President and confirmed by the Senate. All decisions are made by unanimous decision of the State and Federal partners. A network of 60 local development districts has been established to develop local project plans and coordinate public and private investment.

There are two general components of the program: Construction of a regional highway network to overcome the transportation barriers of the mountainous area and a wide variety of area development activities. The highway network consists of a designated 3,033 miles of roads connecting points within the region and major population centers on the fringes of the region. Appropriations for highway construction have totaled approximately $2.6 billion through 1981 and 1,730 miles of the developmental highway system have been completed or are under construction. A similar access road program has helped provide short links from highways to development sites at a cost of $160 million.

The area development program, for which $1.76 billion has been provided, assists States and communities in providing the infrastructure and social services programs to help overcome past inadequacies and to make communities more able to undertake and sustain diversified economic growth. Through September 1981, funds were provided to 13,078 projects in health, child development, vocational education, community development, energy enterprises development, environment and natural resources, special demonstrations, housing, local development district planning and administration, and research and technical assistance.

Early last year President Reagan proposed the termination of the nonhighway program of the Commission at the end of fiscal year 1981. The highway program would have been transferred to the Department of Transportation for the general purpose of liquidating existing highway funding commitments. This committee supported the President's proposal for termination of ARC in its March 15 report to the Budget Committee and later on during reconciliation. However, during conference with the House, funds were restored for ARC, and the program was continued in fiscal year 1982 with an appropriation of $150 million, two-thirds of which was designated for the highway program.

The House Appropriations bill included a directive to the Commission to develop and report to the Congress by December 31, 1981, a plan for an orderly phaseout of its activities. Accordingly, the 13 Governors submitted a proposal for a "finish-up" program to cover 5 years for nonhighway activities and 9 years for the highway program. The Governors proposed a scaled-down program aimed at meet-

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ing a limited number of what have been identified as urgent needs and to prepare the region for moving forward with economic development at the end of the transition period. The highway program would be limited to 550 miles of the 1,303 remaining miles of the system on which construction has not started.

Major Provisions

NONHIGHWAY PROGRAM

The bill's major thrust is to concentrate funding for the nonhighway program in areas with the most significant potential for future growth and in areas that are the most severely distressed and the most deficient in medical services.

The bill provides, under section 9, $50 million for the nonhighway program. It is the intention of the committee that funding for water and sewer projects and health projects (as identified under section 8 of the bill) be targeted to those counties identified in the Governors' report.

Funding for job creation and manpower training (as identified under section 8 of the bill) should be targeted to any of the counties within the 13-State region that demonstrate that such project will provide significant economic development potential for the area through the creation or retention of jobs, or will upgrade manpower capability for jobs in the region through relevant training.

The bill eliminates the use of fiscal year 1983 funding for any projects in connection with libraries, cultural centers, or recreational facilities; for construction of schools, hospitals or government office buildings; for community centers or social service facilities (except as provided for under section 8 for projects in distressed and medically deficient areas); and for operations, except costs for startup and first year of operations.

The bill repeals sections 203, 204, 206, 208, 212 and 213 of the act.

DEVELOPMENT HIGHWAY SYSTEM

The Appalachian development highway program authorization under section 5 of the reported bill, is $100 million for fiscal year 1983. It is the intention of the committee that funding be targeted to the 2,351 mile system identified by the Appalachian Governors in their December 31, 1981, "Report to the Congress." Funding for fiscal year 1983 should be used for construction of new segments (including staged construction), not for reimbursement to the States for prefinanced portions of the system. The Commission has approved prefinanced projects in the amount of approximately $96 million.

Section-by-Section Analysis

SECTION 1

Cites title as Appalachian Regional Development Act Amendments of 1982.

SECTION 2(a)

Amends the statement of purpose to make clear that funds are used where a significant potential for future growth exists and where greatest return possible for dollar invested. Assistance should be going to severely distressed and underdeveloped counties that lack financial resources to provide basic services and where access to sufficient health services does not currently exist.

SECTION 2(b)

Adds an additional statement to the end of the purposes which indicates that the Appalachian program has made substantial progress toward achievement of its purposes and that given current conditions an orderly transition to State, local, and private investment is now appropriate.

SECTION 3

Authorizes funds for administrative expenses of the Commission (including the Federal Cochairman and his staff), as follows: For the fiscal year ending September 30, 1983, $2,900,000.

SECTION 4

Amends the authority to lease office space so as to expire on September 30, 1983.

SECTION 5

Extends the authorization for the highway program for fiscal year 1983 at $100 million. Also increases the maximum Federal share from 70 percent to 80 percent for reimbursement of State prefinanced projects approved after March 31, 1979. The amendment also provides that corridor mileage is limited to 2,351 miles and access roads are 935 miles. Funds authorized by this section may not be used for repayment on prefinanced portions of the system.

SECTION 6

Enlarges the definition of grant-in-aid programs eligible for supplementation through section 214 to include programs authorized on or before October 1, 1983.

SECTION 7

A new section is added to the act to direct the funding under the program to States and public nonprofit entities for projects which will assist in the creation or retention of permanent private sector jobs, the upgrading of the region's manpower or the attraction of private investment. Such assistance must also be for purposes as stated in section 2(a) of the act as amended.

SECTION 8

Section 224 is amended to require that the Commission determine the projects be for one of four purposes before assistance can be made available for such project. The four categories are:

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1. Necessary for related private sector commitment;
2. Training to upgrade manpower;
3. In for the planning, design and engineering, construction or renovation of a site or facility necessary to provide a basic service in severely distressed or underdeveloped counties; or
4. Is for primary health care facilities.

The section also limits the Federal share to 50 percent of the cost of any project after September 30, 1982.

SECTION 9

Authorizes funds for the nonhighway program at $50 million for the fiscal year ending September 30, 1983.

SECTION 10

Provides that the nonhighway authority shall sunset as of October 1, 1983.

SECTION 11

Repeals sections 203, 204, 206, 208, 212 and 213 of the act.

Rollcall Votes

Section 133 of the Legislative Reorganization Act of 1970 and the rules of the Committee on Environment and Public Works require that any rollcall votes be announced in this report. During the committee's consideration one rollcall vote was taken, to report this legislation, as amended. The bill, S. 2144, was ordered reported on May 27 by a vote of 12 to 4. Senators Stafford, Baker, Domenici, Gorton, Murkowski, Randolph, Bentsen, Burdick, Hart, Moynihan, Mitchell, and Baucus voted in the affirmative and Senators Chafee, Simpson, Abdnor, and Symms voted in the negative.

Regulatory Impact

The committee believes that this legislation will cause no change in regulatory activity by the Federal Government, or by private business.

Cost of Legislation

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the committee's estimate of the cost of the reported legislation, together with estimates prepared by any Federal agency. S. 2144 as amended authorizes $152,900,000 for fiscal year 1983. The amount is allocated as follows:

Administrative expenses 1983	$2, 900, 000
Highways 1983	100, 000, 000
Nonhighway program 1983	50, 000, 000
Total	152, 900, 000

Section 403 of the Congressional Budget and Impoundment Control Act requires each bill to contain a statement of the cost of such bill prepared by the Congressional Budget Office. The report follows:

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U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 28, 1982.

Hon. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2144, the Appalachian Regional Development Act Amendments of 1982.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

RAYMOND C. SCHEPPACH
(For Alice M. Rivlin, Director).

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

MAY 28, 1982.

1. Bill number: S. 2144.

2. Bill title: Appalachian Regional Development Act Amendments of 1982.

3. Bill status: As ordered reported by the Senate Committee on Environment and Public Works, May 27, 1982.

4. Bill purpose: The bill amends the Appalachian Regional Development Act of 1965 to extend the act for the purpose of providing transitional assistance to the Appalachian region. The bill authorizes funds in fiscal year 1983 for the Appalachian highway program, the Appalachian Regional Commission and for Appalachian area development.

5. Cost estimate:

Authorization level:	
Fiscal year:	
1983	$152.9
1984	------
1985	------
1986	------
1987	------
Estimated outlays:	
Fiscal year:	
1983	21.6
1984	39.3
1985	58.0
1986	32.0
1987	2.0

The costs of this bill fall within budget function 450.

6. Basis of estimate: For the purposes of this estimate, it has been assumed that all funds authorized are appropriated and that all programs funded would obligate and disburse those funds at rates similar to existing programs within the Appalachian Regional Commission.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 13, 1982, the Congressional Budget Office prepared a cost estimate for H.R. 6100, a bill to amend

the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, as ordered reported by the House Committee on Public Works and Transportation, May 11, 1982. The Senate bill significantly differs from the House version primarily because it deals only with the Appalachian Regional Development Act.

9. Estimate prepared by: Walter Raheb.

10. Estimate approved by:

C. G. NUCKOLS,
(For James L. Blum,
Assistant Director for Budget Analysis).

HEARINGS

The Subcommittee on Regional and Community Development held 1 day of hearings on this legislation: March 29, 1982. Issues relative to the subject of this legislation were also discussed in a full Environment and Public Works Committee hearing on the proposed fiscal year 1983 budget request for the Appalachian Regional Commission on March 2, 1982.

CHANGES IN EXISTING LAW

In the opinion of the committee, it is necessary to dispense with the requirements of subsection (4) of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate.

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Calendar No. 652

97TH CONGRESS
2d Session

SENATE

REPORT
No. 97-458

AUTHORIZATIONS FOR THE JOHN F. KENNEDY CENTER

MAY 28, 1982.—Ordered to be printed
Filed under authority of the order of the Senate of May 12 (legislative day, May 11), 1982

Mr. STAFFORD, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 2134]

The Committee on Environment and Public Works, to which was referred the bill (S. 2134) authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

PURPOSE OF THE LEGISLATION

The bill would amend the John F. Kennedy Center Act (Public Law 85-874; 20 U.S.C. 761) to authorize appropriations in the amount of $4,247,000 for fiscal year 1983 to the Secretary of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and other services necessary to the non-performing arts functions of the John F. Kennedy Center for the Performing Arts. This is the same funding level as the amended administration request for 1983.

Section 10 of the Public Buildings Amendments of 1972 (Public Law 92-313) amended by the John F. Kennedy Center Act stating:

> The Secretary of the Interior, acting through the National Park Service, shall provide maintenance, security, information, interpretation, janitorial, and other services necessary to the non-performing arts functions of the John F. Kennedy Center for the Performing Arts.

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Without additional funds, the Park Service cannot continue beyond September 30, 1982, to exercise the responsibility required of it by law. Without such service, the building, equipment and grounds would deteriorate and necessitate extensive and costly repairs.

Rollcall Votes

Section 133 of the Legislative Reorganization Act of 1970 requires that any rollcall votes be noted in this report. There were no rollcall votes taken during committee consideration of this measure. The bill was approved unanimously by voice vote.

Evaluation of Regulatory Impact

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the committee has evaluated the regulatory impact of the bill. This legislation creates no new regulatory requirements.

Cost of Legislation

Section 403 of the Congressional Budget and Impoundment Control Act requires that an estimate of the cost of the bill as reported be prepared by the Congressional Budget Office. That estimate follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 26, 1982.

Hon. Robert T. Stafford,
Chairman, Committee on Environment and Public Works,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached revised cost estimate for S. 2134, a bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Alice M. Rivlin,
Director.

Congressional Budget Office—Revised Cost Estimate

1. Bill number: S. 2134.
2. Bill title: A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.
3. Bill status: As ordered reported by the Senate Committee on Environment and Public Works, May 6, 1982, with subsequent amendments.
4. Bill purpose: The bill authorizes the appropriation to the Secretary of the Interior of $4.247 million for 1983 to carry out the nonperforming arts functions of the John F. Kennedy Center. This is the

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same funding level as the amended Administration request for 1983. The appropriation for 1982 to date is $4.142 million.

5. Cost estimate:

	Millions
Authorization level:	
Fiscal year:	
1983	$4,247
1984	------
1985	------
1986	------
1987	------
Estimated outlays:	
Fiscal year:	
1983	3.347
1984	.450
1985	.450
1986	------
1987	------

The costs of this bill fall within budget function 300.

6. Basis of estimate: The authorization level is that stated in the bill. It is assumed, for purposes of this estimate, that the full amount authorized will be appropriated prior to the start of fiscal year 1983. Outlays are estimated based on historical spending patterns for this program.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 10, 1982, the Congressional Budget Office prepared a cost estimate for this same bill in which the specified authorization was $3.986 million. This estimate reflects an increase in that authorization approved by the Committee.

9. Estimate prepared by: Anne E. Hoffman.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows: Existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman:

Sec. 6. (a) The Secretary of the Interior, acting through the National Park Service, shall provide maintenance, security, information, interpretation, janitorial and all other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. There is authorized to be appropriated to carry out this subsection not to exceed $2,800,000 for the fiscal year ending June 30, 1976, $741,000 for the transition period ending September 30, 1977, and $4,000,000 for the fiscal year ending September 30, 1978. There is authorized to be appropriated to carry out this subsection not to exceed $4,200,000 for the fiscal year ending September 30, 1979. There is authorized to be appropriated to carry out this subsection not to exceed $4,287,000 for the fiscal year ending September 30, 1981, and not to exceed $4,544,000 for the fiscal year ending September 30, 1982 [.] *and not to exceed $4,247,000 for the fiscal year ending September 30, 1983.*

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